

SERVICE REQUIREMENTS FOR MOTIONS
FOR RELIEF FROM STAY

Federal Rule of Bankruptcy Procedure 4001(a) provides that motions for relief from stay shall be served on certain identified parties and “such other entities as the court may direct.”

Whenever a lienholder moves for relief from stay with regard to property in which there is equity above and beyond the amount of its lien, the interests of junior lienholders are likely to be affected, as any equity in the property that might have been available to satisfy their claims may be lost if a senior lienholder is permitted to foreclose. Accordingly, Judge Bluebond requires that any motion for relief from stay in which the movant seeks authority to foreclose upon (or to validate a foreclosure sale conducted with regard to) property owned by the debtor or the estate, whether real or personal, tangible or intangible, be served on all parties (other than the movant) identified in the debtor’s schedules or the public record as holding a lien against the property that is the subject of the motion.

Please note that this rule imposes *additional* service requirements for motions for relief from stay and is not intended to replace or supercede the service requirements applicable to motions for relief from stay contained within the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules.